



Supplemental Information – Gross Margin Drivers

The table below provides detail on the drivers of gross margin change versus the prior year.

Driver	Change vs. Prior Year (basis points)									
	FY06					FY07				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cost savings	+270 bp	+290 bp	+240 bp	+180 bp	+250 bp	+190 bp	+240 bp	+280 bp	+200 bp	+230 bp
Pricing changes	+140 bp	+170 bp	+210 bp	+190 bp	+160 bp	+210 bp	+160 bp	+140 bp	+80 bp	+150 bp
Market movement (commodities)	-360 bp	-400 bp	-420 bp	-300 bp	-360 bp	-280 bp	-190 bp	+40 bp	-40 bp	-110 bp
Manufacturing & logistics ⁽¹⁾	-130 bp	-150 bp	-170 bp	-120 bp	-150 bp	-90 bp	-110 bp	-120 bp	-70 bp	-100 bp
All other ⁽²⁾	-60 bp	-120 bp	+110 bp	+10 bp	0 bp	+40 bp	0 bp	-160 bp	-120 bp	-80 bp
Gross margin change vs prior year	-140 bp	-210 bp	-30 bp	-40 bp	-100 bp	+70 bp	+100 bp	+180 bp	+50 bp	+90 bp

(1) Manufacturing & Logistics includes the change in the cost of diesel fuel.

(2) All other includes all other drivers of gross margin change which are usually of an immaterial nature. Examples of drivers included: volume change, trade and consumer spending, foreign currency, etc. If a driver included in all other is deemed to be material in a given period, it will be disclosed as part of the company's earnings release.